GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:498
ANSWERED ON:29.04.2005
RECOMMENDATIONS OF BIFR
Adhalrao Patil Shri Shivaji

Will the Minister of FINANCE be pleased to state:

(a) whether the Board for industirai and Financial Reconstruction has recommended winding up of 27 public sector undertakings;

(b) if so, the details of such undertakings;

(c) whether any efforts were made by Government to make these undertakings viable before referring to BIFR;

(d) if so, the details thereof; and

(e) the suggestions made by BIFR for rehabilitation of the employees of these undertakings?

Answer

THE MINISTER OF FINANCE (SHRI P.CHIDAMBRAM)

(a) and (b) As on 31st January, 2005, 72 Public Sector Undertakings (31-Central Public Sector Undertakings 41 State Public Sector Undertakings) have been recommended for winding up. A list of Central Public Sector Undertakings and State Public Sector Undertakings are placed at statement I and II respectively.

(c) and (d) It is for the Board of Directors of each Company to ensure its viability. Reference to BIFR is statutory in nature. Under Section 15 of the Sick Industrial Companies (Special Provision) Act, 1985. when an industrial company has become a sick industrial company, the Board of Directors shall, within sixty days from the date of finalization of the accounts of the company, make a reference to the BIFR. However. Government of India have constituted a Board for reconstruction of Public Sector Enterprises in December. 2004 to undertake strengthening, modernizing, reviving and restructuring of Public Sector Enterprises.

(e) Due consideration is given by BIFR towac the interest of workers while sanctioning the sche for sick companies. There is no mandate for BIFR tomake suggestions regarding rehabilitation of employe of Public Sector Undertakings.